

Message Text

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17

ACTION L-02

INFO OCT-01 NEA-06 ISO-00 ABF-01 OPIC-03 RSC-01 /014 W

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R 090430Z DEC 74

FM AMEMBASSY DACCA

TO SECSTATE WASHDC 5119

INFO AMEMBASSY ISLAMABAD

LIMITED OFFICIAL USE DACCA 5606

E.O. 11652: N/A

TAGS: AFIN, ETRN, BG

SUBJECT: SETTLEMENT OF PIA INVOICES

REF: A. DACCA 5290 B. STATE 262663

1. DACCA ADVISED DEPARTMENT BY REFTEL (A) BANGLADESH BIMAN REQUESTING PAYMENT INVOICES SUBMITTED BY PIA FOR PRE-DECEMBER 1971 SERVICES.

2. DEPARTMENT IN REFTEL (B) SUGGESTED POSSIBILITY USG ESTABLISH THIRD COUNTRY ESCROW ACCOUNT ACCESSIBLE BOTH PIA AND BIMAN PENDING SETTLEMENT AGREEMENT AND ASKED ESTIMATE OF LIKELY REACTION.

3. BIMAN REPRESENTATIVES IN DISCUSSIONS WITH EMBOFF DECEMBER 4 STATED BIMAN GOVERNED BY PRESIDENTIAL ORDER OF DECEMBER 1971 ACQUIRING ALL ESSETS OF PIA LOCATED IN BANGLADESH. THEY STATED BIMAN CANNOT COMPROMISE THIS PRINCIPLE AND THAT AS RESULT PIA REMOVAL OF CASH AND AIR-CRAFT PRIOR INDEPENDENCE BIMAN HAS MORAL RIGHT SUPPORTING ITS ACTION IN SEIZING ALL ASSETS AND REJECTING ALL LIABILITIES AS SUCCESSOR PIA. THEY CLEARLY HAVE NO INTEREST IN ESTABLISHING THIRD COUNTRY ESCROW ACCOUNT OR IN ANY PROPOSAL INVOLVING SHARING RECEIPTS WITH PIA.

4. BIMAN OFFICIALS SHOWED SYMPATHY TO US POSITION FRIEND TO BOTH PARTIES; THEY ARE CANDID THAT NO AGREEMENT ON

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DIVISION OF ASSETS AND LIABILITIES BETWEEN PAKISTAN AND

BANGLADESH APPEARS LIKELY SOON.

5. IN VIEW POSITION BIMAN REPRESENTATIVES EMBASSY
CONCLUDES THAT BIMAN WOULD INSIST UPON FULL PAYMENT SOLELY TO
BIMAN AND WILL NOT CONSIDER OUTSTANDING US OBLIGATIONS SETTLED
BY PAYMENT TO PIA.

6. FYI - BIMAN OFFICIALS HINTED SENIOR AIRLINE OFFICIALS
WOULD APPRECIATE MEETING EMBASSY OFFICERS TO DISCUSS ASSET
DIVISION BETWEEN BIMAN AND PIA USING AMEMBASSY DACCA AS
CHANNEL TO CONVEYTGIMAN POSITION TO PIA. EMBOFF DOD NOT
RESPOND DIRECTLY BUT SAID EMBASSY PLEASED MEET BIMAN OFFICIALS
CONCERNING ANY ASPECT USG-BIMAN RELATIONS.

6. COMMENT: WE CANNOT BUT BE STRUCK BY THIS EXAMPLE OF
THE BDG EFFORT TO "HAVE IT BOTH WAYS" AS REGARDS ASSETS
DATING FROM BEFORE INDEPENDENCE. IN CASES WHERE A REAL OR
A POTENTIAL OBLIGATION WAS INCURRED BY THE GOVERNMENT, E.G.
FROM THE US OPIC AGREEMENT WITH PAKISTAN, BDG
INSISTS IT IS NOT THE SUCCESSOR STATE.
BOSTER

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